

DATE: January 24, 2018

FILE: 1700-02/2018/791

TO: Chair and Directors
Electoral Areas Services Committee

FROM: Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: 2018-2022 Financial Plan – Courtenay Flats Drainage – Function # 791

Purpose

To provide the Electoral Areas Services Committee with the proposed 2018 - 2022 Financial Plan and work plan highlights for the Courtenay Flats Drainage service, function 791.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2018 - 2022 Financial Plan for Courtenay Flats Drainage service, function 791, be approved.

Executive Summary

The proposed 2018-2022 Financial Plan for the Courtenay Flats Drainage service includes the following highlights:

- The parcel tax rate for the service remains at \$47.90 per hectare with a total annual revenue of \$7,329.
- The operating budget for 2018 has decreased by \$3,458 from the 2017 budgeted value, which included contract services for remedial work to improve functionality of the two tidal gates completed in fall 2017.
- Key expenditures for 2018 include contract services for minor maintenance activities and a contribution to reserves.
- There are no capital projects planned for this service in 2018.
- Replacement of the tidal gates is planned for 2020 and will be funded by reserves.

Prepared by:

D. Monteith

Darry Monteith
Engineering Analyst

Concurrence:

M. Rutten

Marc Rutten, P.Eng.
General Manager of Engineering
Services

Policy Analysis

Bylaw No. 999, being the “Courtenay Flats Drainage Works Specified Area Establishment and Loan Authorization bylaw, 1988” establishes the service and the participating properties.

Bylaw No. 1106, being the “Courtenay Flats Drainage Area Parcel Tax bylaw 1989” sets the annual parcel tax amount for this service.

Bylaw No. 1242, being the “Courtenay Flats Drainage Specified Area Parcel Tax bylaw, Amendment by-law No. 1, 1990 amends the annual parcel tax amount for the service.

Financial Plan Overview

The Courtenay Flats Drainage specified service area was created to drain fresh water and limit tidal water intrusion into Dyke Slough. The service has been in place for over 25 years and relies on parcel tax collected from property owners for operation and maintenance as well as for contributions to reserves. In addition to providing flood control, the system also provides habitat for fish and water fowl. The existing infrastructure was installed in 1988/1989 and financed through the Municipal Finance Authority of BC. Service area debt was fully repaid in 2009.


In 2015, the Comox Valley Regional District engaged Wedler Engineering LLP (Wedler) to undertake a condition assessment study of the Courtenay Flats Drainage system and provide recommendations based on the outcomes of the study. The assessment showed that two of the three tidal gates were not operating as intended and provided recommendations for restoration of the gates. The study also recommended removal or restoration of the overhead walkway above the floodbox inlets to ensure safety of the public.

The minimum recommended remedial work was completed in fall 2017 to improve functionality of the two tidal gates in advance of replacement. Removal of the overhead walkway was originally planned to occur at the same time however, because the gates were able to be repaired in place, the walkway was not removed. Restoration of the walkway will be completed in 2018 once daytime tides are more favorable. The 2018 – 2022 proposed Financial Plan includes the full replacement of tide gates in 2020 as per recommendations from the Wedler report.

The Wedler study also identified excessive sediment loading in the lower reaches of Glen Urquhart Creek and Mallard Creek. Cleaning out sediment and re-profiling the lower reaches of the two creeks that feed into the slough would be an expensive undertaking and require the support and coordination of stakeholders, including the two upstream municipalities. This work will not be carried out until further planning, communication and collaboration is completed and is currently not included in the 2018 – 2022 proposed Financial Plan.

Table 1 below summarizes the 2018 proposed budget as compared to the 2017 adopted budget. Significant variances from the 2017 adopted budget will be discussed in the financial plan highlights section below.

Table 1: Financial Plan Highlights

		#791 Courtenay Flats Drainage		
		2017 Budget	2018 Proposed Budget	Increase (Decrease)
Operating				
Revenue				
Frontage/Parcel Taxes	7,329	7,329	-	
Transfer from Reserve	942		(942)	
Prior Years Surplus	334		(334)	
	\$ 8,605	\$ 7,329	\$(1,276)	
Expenditures				
Operating	7,605	4,147	(3,458)	
Contribution to Reserve		2,182	2,182	
Tsfr Other Functions	1,000	1,000	-	
	\$ 8,605	\$ 7,329	\$(1,276)	

The entire 2018 - 2022 proposed five year Financial Plan for Courtenay Flats Drainage service including the requisition summary and the operating and capital budgets, is available through the online budget binder at: www.comoxvalleyrd.ca/proposedfinancialplan.

Highlights of the 2018 - 2022 proposed Financial Plan for function 791 include:

Revenue Sources

The Courtenay Flats Drainage service is completely funded by annual parcel tax for each of the 15 participating properties. The parcel tax rate is \$47.90 per hectare; no changes to the current rate are included in the Financial Plan.

Personnel

The Courtenay Flats Drainage service has no direct employees. Management of the service is provided by the Liquid Waste Management Planning (LWMP) service, function 340. The service reimburses the LWMP service \$1,000 for these management fees.

Operations

The operating budget for the Courtenay Flats Drainage service for 2018 is \$4,147. This is a decrease of \$3,458 from the 2017 budgeted value which included restoration of the tidal gates, completed in fall 2017. Key operational costs for 2018 include contract services for minor maintenance activities. The project management oversight for the planned maintenance work will be conducted by LWMP staff.

Capital

There are no capital projects planned for this service in 2018. In budget year 2020 it is recommended that the tidal gates be replaced. This work has been included as a future capital expenditure and will be funded by reserves.

Reserves

As of December 31, 2017 the projected capital works reserve fund balance is \$42,898 and the future expenditures reserve is \$57,422. The 2018 budget includes a \$2,182 annual contribution to the future expenditures reserve with similar annual contributions expected over the five year financial planning cycle. Capital works reserves are expected to drop dramatically in 2020 in order to fund the tide gate replacement project.

Citizen/Public Relations

The Courtenay Flats Drainage service is completely funded by annual parcel tax for each of the 15 participating properties. The parcel tax rate is \$47.90 per hectare; no changes to the current rate are included in the financial plan.

Attachments: Appendix A – “Map of Service Area”

